

VZCZCXRO4497  
OO RUEHLMC  
DE RUEHDS #1571/01 1611247  
ZNY SSSSS ZZH  
O 091247Z JUN 08  
FM AMEMBASSY ADDIS ABABA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0885  
INFO RUEHLMC/MILLENNIUM CHALLENGE CORP  
RUEAIIA/CIA WASHINGTON DC  
RHMFISS/CJTF HOA  
RHEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC  
RUEAWJA/DEPT OF JUSTICE WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEKDIA/DIA WASHINGTON DC  
RHMFISS/HQ USAFRICOM STUTTGART GE  
RHMFISS/HQ USCENTCOM MACDILL AFB FL  
RUEKJCS/JOINT STAFF WASHINGTON DC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHINGTON DC

S E C R E T SECTION 01 OF 04 ADDIS ABABA 001571

NOFORN  
SIPDIS

STATE FOR AF/E, AF/RSA, DRL, PRM, INL, AND PM  
OSD FOR THERESA WHALEN AND SHOSHANNA MATNEY  
USAID FOR AFR: ALMQUIST AND OFDA: KLUU  
F FOR DJIKERMAN AND CASEY

E.O. 12958: DECL: 06/04/2028  
TAGS: [PGOV](#) [PREL](#) [PINR](#) [MASS](#) [MOPS](#) [ET](#)  
SUBJECT: ETHIOPIA'S BROKEN PROMISES

REF: A. ADDIS ABABA 94  
[1](#)B. ADDIS ABABA 1361  
[1](#)C. ADDIS ABABA 1425  
[1](#)D. ADDIS ABABA 910  
[1](#)E. ADDIS ABABA 1223  
[1](#)F. ADDIS ABABA 1546  
[1](#)G. ADDIS ABABA 381

Classified By: Ambassador Donald Yamamoto. Reasons 1.4(b) and (d).

Summary  
-----

[1](#)1. (S/NF) A paradigm shift must occur in the United States' discourse with Ethiopia on foreign assistance. Over the past year, the United States Government (USG) has delivered on all Ethiopian government (GoE) claims of "broken promises" in order to enhance the security of the Ethiopian state and to help Ethiopia combat terrorism. However, even as the USG met its promises and repeatedly addressed GoE priority requests, Ethiopia consistently rebuffed USG efforts to pursue other priorities, notably political and economic reform, and also turned down a significant number of programs designed specifically to enhance trust, communication and security cooperation between our militaries. The GoE even rejected many of the programs it requested. Specifically, the GoE barred the operation in Ethiopia of key USG implementing partners in democracy and governance, refused to cooperate with the U.S. Treasury Department on anti-money laundering (AML) and counterterrorism finance (CFT), failed to support USG efforts to launch a chamber of commerce, and rejected 29 of 41 security assistance programs, including three War College slots. At the same time, the ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) moved forward with increasingly statist and authoritarian policies and practices, to the potential detriment of Ethiopia's long-term stability (and thus USG interests). As a result, the foreign assistance conversation must now be framed as "Ethiopia's broken promises." Embassy Addis Ababa will make it clear to the Ethiopian government at the highest levels that the U.S.-Ethiopia strategic partnership requires reciprocity and that, for the United States, counterterrorism and security cooperation do not occur in a vacuum. The Ambassador will take every opportunity to highlight for Ethiopian leadership

the linkage between democratic governance/free market economy and social cohesion and stability, and urge the GoE to reconsider the current statist and authoritarian trajectory of its policies. End Summary.

#### Promises Met, Scant Reciprocity

-----

¶2. (S/NF) For the past year, the USG worked diligently to strengthen mil-to-mil relations with Ethiopia based on shared interests in counterterrorism and regional stability and to address GoE perceptions of "broken promises" (Ref A). The USG has now delivered on every military promise made to Ethiopia, including delivery of C-130 parts, reimbursement for Somalia-related training and, most recently, support for Ethiopian peacekeepers. However, while U.S.-Ethiopia counterterrorism exchanges over the past year scored notable successes, such as unprecedented cooperation on Somalia, USG engagement has yet to produce reciprocal GoE cooperation in other key areas, most notably in Ethiopian political and economic reform.

#### Democratic and Free-Market Reforms Suspended

-----

¶3. (S/NF) As the ruling EPRDF has consolidated and extended its authority (Ref B), the GoE has rejected a wide range of USG assistance programs, both military and non-military, and rebuffed programmatic efforts by USG agencies and other international partners to facilitate democratic and market-oriented reforms. Simultaneously, the GoE has

ADDIS ABAB 00001571 002 OF 004

accelerated statist policies and authoritarian practices. EPRDF moves to crush mainstream political opposition (Ref C) and tighten party control of the economy (Ref D) not only run counter to USG policy and interests, but also, potentially, risk Ethiopia's long-term stability.

#### Democracy: No We Can't!

-----

¶4. (SBU) The EPRDF has sent strong indications that it is closing the door to multiparty democracy. In March, 2005, Ethiopia became the first country in 20 years to expel the International Republican Institute (IRI), the National Democratic Institute (NDI) and International Foundation for Electoral Systems (IFES), effectively eliminating USG programming in political participation. IRI, NDI and IFES have not been allowed to return. Likewise, the National Electoral Board's refusal to take timely action to allow election observation training effectively sidelined the Carter Center from training the limited domestic observer organizations in the run-up to the April 2008 local elections despite the ready allocation of USD 1.358 million in USG funding and additional support from others. The EPRDF refused to participate in our Voluntary Visitor program planned in Fall 2007 on multiparty democracy for a cross-section of political party representatives. Finally, a draft civil society law currently under consideration would ban any foreign funded international or non-governmental organizations (NGOs) from working to further democratic reform (Ref E). Ethiopia was until earlier this year the only African country to jam persistently Voice of America (VOA) broadcasts (and has done so off and on since the mid-nineties), as well as Deutsche Welle and occasionally the BBC, and in 2005 charged five American citizen VOA staff members with capital offenses for alleged support for opposition groups.

#### Mil-Mil Efforts, Other Security Cooperation Rebuffed

-----

¶5. (S/NF) While Ethiopia willingly accepted USG equipment donations for its peacekeepers and reimbursement for some Somalia-related expenses, it has rejected 29 of 41 security

assistance training offers designed to strengthen mutual understanding and enhance future cooperation, including three War College slots. The War College slots were offered in response to Chief of Defense Staff (CHOD) Samora's complaint that Ethiopian troops in international peacekeeping operations are commanded by non-Ethiopians because Ethiopian National Defense Force (ENDF) officers lack War College experience. Ethiopia also turned down Special Operations Forces training, perhaps the only country to do so in the recent past, spurned a number of high-level seminars and turned down, by not acting on U.S. offers, Exercise Related Construction (ERC), Defense Reutilization Marketing Service (DRMS), and combat engineer assistance -- all programs specifically requested by the ENDF.

16. (S/NF) The Ethiopian National Defense Forces (ENDF) barred Combined Joint Task Force - Horn of Africa (CJTF-HOA) civil affairs teams from the Ogaden in 2006 (they have not been allowed to return) and expelled United States Defense Department counterterrorism and border security trainers from Bilate and Hurso training camps in 2007, despite USD 3 million in USG-funded infrastructure upgrades at the camps. Earlier this year, the GoE rejected a USG-proposed bilateral agreement designed to address the threat of Man-Portable Air Defense Systems (MANPADS) in Ethiopia, and has repeatedly refused USG access to a North Korea-supported munitions factory in Ambo. The Ethiopians told the Embassy that they cannot support the International Military Education and Training (IMET) program due to their current military operations tempo, yet accepted some 60 training slots in Russia. Ethiopia also declined a USG offer of assistance for direct support for developing a non-commissioned officer

ADDIS ABAB 00001571 003 OF 004

corps. Finally, in another area of security-related cooperation, Ethiopian State Security refused Federal Bureau of Investigation (FBI) attempts to question a detained person of interest despite five weeks of FBI attempts to gain access to the individual.

#### Transparency and Reform Rejected

-----

17. (SBU) The United States Treasury Department was forced to suspend its Office of Technical Assistance (OTA) intermittent advisory program after the GoE refused to take action to develop AML and CFT regulations and legislation despite ten months of negotiations with OTA (Ref F). Although the GoE signaled its interest in OTA assistance, Senior National Bank of Ethiopia (NBE) officials declined every opportunity to support necessary reforms. Likewise, for more than a year the GoE has delayed the registration and launch of an American Chamber of Commerce in Ethiopia and rejected Embassy advocacy for the diversification of the telecommunications sector. By way of contrast, the GoE, consistent with its statist tendencies, over the same span awarded a Chinese company a USD 1.5 billion monopolistic contract for telecommunications, granted the Chinese government the right to develop a USD 700 million special economic zone for Chinese companies in Ethiopia, and announced that another Chinese company would be granted a no-bid contract to build a highway in Ethiopia.

#### Foreign Assistance Squeezed

-----

18. (SBU) Even as the USG has directed significant resources toward Ethiopia to assist with HIV/AIDS treatment and prevention, food security and disaster response, the GoE is raising numerous bureaucratic barriers for U.S. foreign assistance programs, deterring the efficient operation of USG implementing partners. Earlier this year, the GoE requested "re-negotiation" of Ethiopia's tax exemption for programs funded by U.S. foreign assistance. Without further dialogue or negotiation, the GoE has unilaterally begun taxing the approximately USD 700 million in U.S. Foreign

Assistance-funded procurements and subjected implementing partners' procurements to full import duties, value added tax and additional taxes. The GoE now requires a USD 200,000 deposit by U.S.-funded NGOs into a blocked Ethiopian bank account before considering work permit applications for expatriate staff. The GoE has restricted access of USG-funded NGOs to conflict-affected populations in the Ogaden area of the Somali region and placed at least one American citizen working for an international NGO (INGO) under house detention (Ref G). As above, the draft civil society law proposes to restrict severely development-related projects by INGOs, including USG implementing partners. Already this year, the GoE has informed USAID that it will no longer register USAID implementing partners. Women's Concern International (WCI) and the American Bar Association (ABA) have both been refused registration in recent weeks despite being requested by the Ethiopian Parliament and Supreme Court respectively to provide assistance. The Foreign Ministry advised USAID that, notwithstanding the GoE's earlier request for judicial assistance, the ABA is a "consultant" to USAID therefore and USAID should arrange for ABA's phone lines, bank accounts and other basic services during the life of the three-year program.

Comment  
-----

¶9. (S/NF) A paradigm shift must occur in the United States' discourse with Ethiopia on foreign assistance. Over the past year, the USG has delivered on all GoE claims of "broken promises" in order to enhance the security of the Ethiopian state and to help Ethiopia combat terrorism. However, even as the USG met its promises, Ethiopia consistently rebuffed

ADDIS ABAB 00001571 004 OF 004

USG efforts to pursue other priorities, notably political and economic reform, and also turned down a significant number of programs designed specifically to enhance trust, communication and security cooperation between our militaries. The GoE rejected many of the programs it specifically requested. Effectively, the Ethiopian government cherry-picked areas and programs for cooperation at a time where the cross-cutting nature of political, economic and security concerns has never been more evident. At the same time, the ruling EPRDF moved forward with increasingly statist and authoritarian policies and practices, to the potential detriment of Ethiopia's long-term stability (and thus USG interests). As a result, the foreign assistance conversation must now be framed as "Ethiopia's broken promises."

¶10. (S/NF) Comment Continued: Embassy Addis Ababa will make it clear to the Ethiopian government at the highest levels that the U.S.-Ethiopia strategic partnership requires reciprocity and that, for the United States, counterterrorism and security cooperation does not occur in a vacuum. Tigrayan People's Liberation Front (TPLF) Central Committee members, as well as ENDF leadership, often criticize the West for placing human rights and other conditions on the provision of military and economic programs to Ethiopia. They cite Israel, China and Russia as (more) reliable partners who provide affordable equipment, always deliver and never raise conditionality.

¶11. (S/NF) Comment Continued: The Ambassador will take every opportunity to highlight for Ethiopian leadership the linkage between democratic governance/free market economy and social cohesion and stability, and urge the GoE to reconsider the current statist and authoritarian trajectory of its policies. If the GoE persists in rejecting United States priorities in such critical areas as transparency (especially AML and CFT), governance (especially civil society support for political), market reform (especially necessary diversification) and security cooperation, the long-term risks to USG interests posed by robust support for the EPRDF government, as well as the level and breadth of our foreign assistance programs, may

have to be reassessed. End Comment.  
YAMAMOTO